



2022 Proposed Municipal Budget

March 22, 2022

Westfield Budget Team



- **Town Administrator - Jim Gildea**
(28-year veteran with Westfield, with 22 years experience of formulating municipal budgets)
- **Chief Financial Officer - Scott Olsen**
(24-year veteran, with 22 years experience of formulating municipal budgets and 6 years with Westfield)
- **Highly experienced auditing and bond counsel firms**
(Suplee Clooney & Company and Rogut McCarthy)
- **Finance Chair Councilwoman - Linda Habgood**
- **Finance Vice Chairman Councilman - Mark Parmelee**
- **Finance Committee Member Councilman - David Contract**
- **Finance Committee member Councilman - Scott Katz**
- **Investment Advisory Council comprised of 10 resident volunteers with various financial and logistics backgrounds**

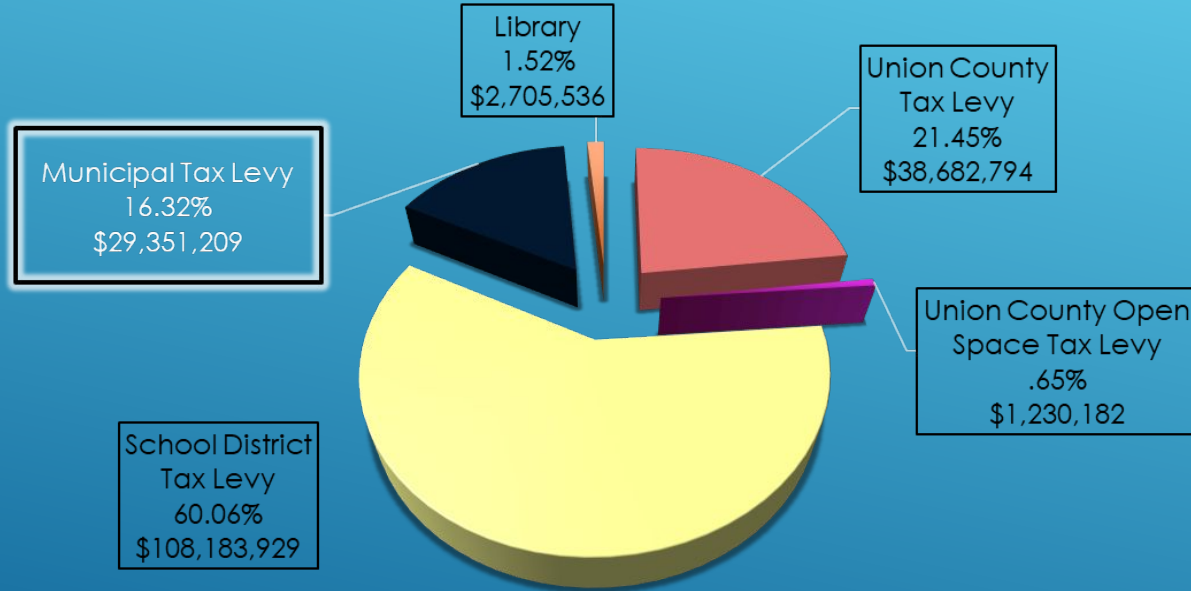
BUDGET PROCESS AND TIMELINE



Where Do Your Tax Dollars Go?

2021 Total Tax Collections = \$180,172,598

Town retains 16.32% of total collections



Despite COVID Related Revenue Challenges, Surplus Was Replenished

- Generated \$3.6MM in surplus in 2021, despite revenue losses, resulting in a \$9.4 million surplus balance available in 2022
- Surplus generation increased by \$1MM as compared to 2020
- Parking and court revenues were most negatively impacted by COVID-19 with continued shortfalls anticipated in 2022
- Municipal finance requirements do not allow for anticipating more revenue than what was collected in prior year, limiting anticipated revenues in 2022



2022 Budget Priorities

1

Manage Spending Challenges

- Statutory/Required Expenditures up 5.16% (~\$900K): health insurance, pensions, social security, utilities, Rahway Valley Sewerage Authority
- Salary/Wages up 2.49% (~\$450K): contractual & non-union increases and addition of new employees
- Operating expenditures up 9.59% (~490K): various non-discretionary costs in various departments

2

Conserve Surplus

- Surplus level had been replenished by \$3.6mm to \$9.4 million at YE21
- 2022 budget utilized \$3.8mm to manage revenue losses and lower tax rate. This represents no increase from 2021
- \$5.6 million surplus balance left to absorb continued marketplace disruptions and goal to replenish to \$9MM+

3

Lowest Possible Tax Increase

- Total appropriations up 5.56% due to large increases in non-discretionary costs and addition of American Rescue Plan (ARP) matching funding
- Continued revenue losses compared to 2019 levels, but addition of ARP funds, increases in building permits and conservation center fees bolster revenues in 2022
- Delivered 1.98% increase in tax rate. Average tax increase since 2018 is 1.3%

TAX RATE AVERAGES 1.3% INCREASE OVER LAST 5 YEARS



We Remain In Stronger Position Than During Financial Crisis

(Surplus Being Used As Intended Rainy Day Fund)

Surplus use during
recession impact years
2009 – 2012

BUDGET YEAR	FUND BALANCE <u>AVAILABLE Jan 1</u>	FUND BALANCE <u>USED</u>	% OF FUND <u>BALANCE USED</u>	FUND BALANCE <u>GENERATED</u>
2009	\$2,848,423	\$2,700,000	94.79%	\$1,907,122
2010	\$2,055,545	\$1,840,000	89.51%	\$1,627,557
2011	\$1,843,103	\$1,719,000	93.27%	\$74,391
2012	\$198,494	\$0	0.00%	\$1,431,303

Surplus use during
recent years leading to
COVID impact in 2020,
2021 & 2022

BUDGET YEAR	FUND BALANCE <u>AVAILABLE Jan 1</u>	FUND BALANCE <u>USED</u>	% OF FUND <u>BALANCE USED</u>	FUND BALANCE <u>GENERATED</u>
2019	\$14,511,357	\$4,994,000	34.41%	\$2,065,496
2020	\$11,582,853	\$4,505,000	38.89%	\$2,516,085
2021	\$9,593,938	\$3,795,000	39.54%	\$3,635,694
2022	\$9,434,632	\$3,795,000	40.22%	??

2022 REVENUE BRIGHT SPOTS

- ▶ Conservation Center: high usage, increased permit sales for organic debris disposal, recycling use, bulky waste program, sale of mulch and firewood, etc.
- ▶ Construction Dept: high volume of permits in 2020/2021; 2022 expected to be strong again with new online inspection requests and permit payments
- ▶ Tax collection: expected to remain above 99% despite pandemic impacts in 2020/21
- ▶ ARP funds in 2022, 2023, & 2024 will offset revenue losses and fund needed infrastructure expenses
- ▶ Memorial Pool Utility had strong comeback from the 2020/21 pandemic effects. ARP funds in 2022 budget will solidify pool utility future



Court and Parking Revenues Are Down 44% Compared To 2019

	<u>2019 Realized</u>	<u>2020 Realized</u>	<u>2021 Anticipated</u>	<u>2021 Realized</u>	<u>Var vs '19</u>
Court	\$ 462,439	\$ 224,281	\$ 200,000	\$ 238,643	(\$223,796)
Parking	\$1,689,561	\$1,166,427	\$1,165,000	\$1,185,468	(\$504,093)



American Rescue Plan (ARP) Used To Offset Some Revenue Losses & Fund COVID Recovery/Infrastructure items

The 2022 budget anticipates \$1,533,912 of ARP funds allocated as follows: (\$3,089,00 total expected to be received)

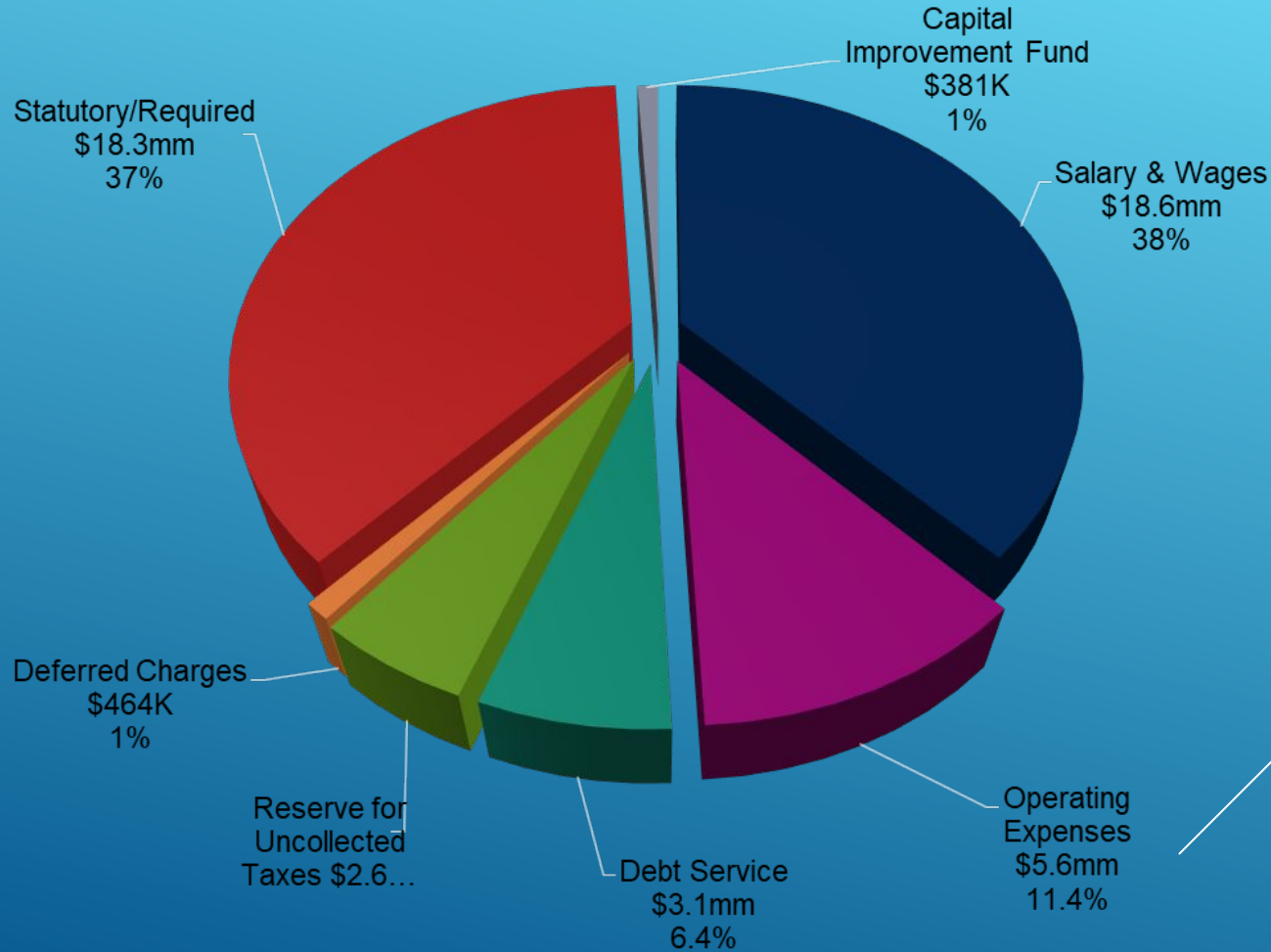
\$833,912 for revenue losses

\$318,912 for Memorial Pool losses

\$381,088 for stormwater related items & COVID recovery items including:

- \$231,088 for DPW equipment to assist in maintaining our storm sewers
- \$100,000 for a stormwater system assessment to create a long-term capital plan for infrastructure improvements with assistance for the WIRC Committee
- \$50,000 for downtown COVID recovery items

2022 APPROPRIATION HIGHLIGHTS



2022 MUNICIPAL BUDGET SUMMARY - COVID ERA

Appropriations

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Inc./Dec.</u>
S&W	\$17,898,378	\$18,183,559	\$18,636,602	+ \$ 453,043 (2.49%)
Operations	\$ 5,045,805	\$ 5,111,529	\$ 5,601,561	+ \$ 490,033 (9.59%)
Debt Service	\$ 3,209,361	\$ 3,128,478	\$ 3,128,478	\$0 (0%)
Unpaid Taxes Res.	\$ 2,480,000	\$ 2,525,000	\$ 2,575,000	+ \$ 50,000 (1.98%)
Deferred Charges	\$ 145,000	\$ 145,000	\$ 463,912	+ \$ 318,912 (219.94%)
Statutory/Required	\$17,206,862	\$17,415,701	\$18,315,043	+ \$ 899,342 (5.16%)
Capital Imp. Fund	\$ 100,000	\$ 100,000	\$ 481,088	+ \$ 381,088 (381.09%)
Total	\$46,085,406 (-1.32%)	\$46,609,266 (1.14%)	\$49,201,684	+ \$2,592,418 (5.56%)

Revenues

Total Revenues	\$17,546,832	\$17,274,242	\$18,957,172	+ \$1,699,116 (9.85%)
Tax Levy	<u>\$28,538,574</u>	<u>\$29,351,209</u>	<u>\$30,244,512</u>	+ \$893,302 (3.04%)
Total	\$46,085,406	\$46,625,451	\$49,201,684	

<u>Tax Rate</u>	1.95%	1.98%	1.98%	
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KEY EXPENSE DRIVERS IN 2022

PFRS & PERS Pensions	+ \$ 392,027
Insurance (JIF/Major Medical)	+ \$ 388,397
Utilities	+ \$ 61,000
Police Dept. S&W	+ \$ 425,665 (contractual obligations, 1 new officer, full year costs 2 officers)
Fire Dept. S&W	+ \$ 151,000 (contractual obligations)
Public Works S&W	+ \$ 97,442 (contractual obligations/addition of 2 employees)
Deferred Charges	+ \$ 319,912 (For Memorial Pool losses and offset by ARP funds)
Capital Improvement Fund	+ \$ 381,088 (For Stormwater Infrastructure items and offset by ARP funds)
Public Works O&E	+ \$ 121,182 (new recycling contract, engineering consulting, tree plantings)
Police Dept. O&E	+ \$ 154,757 (police equipment/new technology/Ida vehicle replacements)
Crossing Guard Program	+ \$ 100,000 (restores funding after COVID savings school closures)
Reserve for Uncollected Taxes	+ \$ 50,000

Notable Department Metrics & New Online Efficiencies

- Building Dept.: Online automation for permits and inspections has created efficiencies for staff & residents
 - 2021 Permits Issued: 2475 - Inspections performed: 8624 - approx. 35 per day
- Police Dept.: Responded to 33,000 calls for service in 2021 - approx. 90 per day
 - New online automation for home alarms registration and firearm permits
 - New hybrid vehicle leases in 2021 has produced maintenance and gas savings
 - Service charges for police vehicle and equipment during utility projects has produced significant revenues offsetting costs of annual Police car leases and other police needs
- Fire Dept.: Responded to 2,897 calls for service in 2021 - approx. 8 calls per day
 - Fire Prevention Bureau moves to online automation for permits and issues 229 permits in 2021 and performs 2,524 inspections - approx. 11 per day

Notable Department Metrics & New Online Efficiencies

- Recreation Dept. & Memorial Pool:
 - Memorial Pool had a total of 8,007 members in 2021 compared to 5,365 in 2020 (and 7,938 in 2019)
 - Offered online guest pass purchasing for the first time in 2021. 7,639 guest passes were sold generating over \$100,000 in revenue
 - Recreation Department held 345 classes in 2021 vs 168 classes in 2020 & 115 classes in 2019
- Public Works Dept:
 - Conservation Center permits sales have been online since 2020. Permits issued in 2021 - 2,384
 - Bulk Waste program over 1,100 users in 2021 and processed 207 tons of material.
 - Recycling stats 2021: Styrofoam 30K lbs (18K lbs in 2020) - Scrap Metal 124 tons - Cardboard 114 tons - #5 Plastics 5.6 tons
- Town Clerk:
 - Recently implemented online opportunities for pet licensing and sidewalk cafe licenses

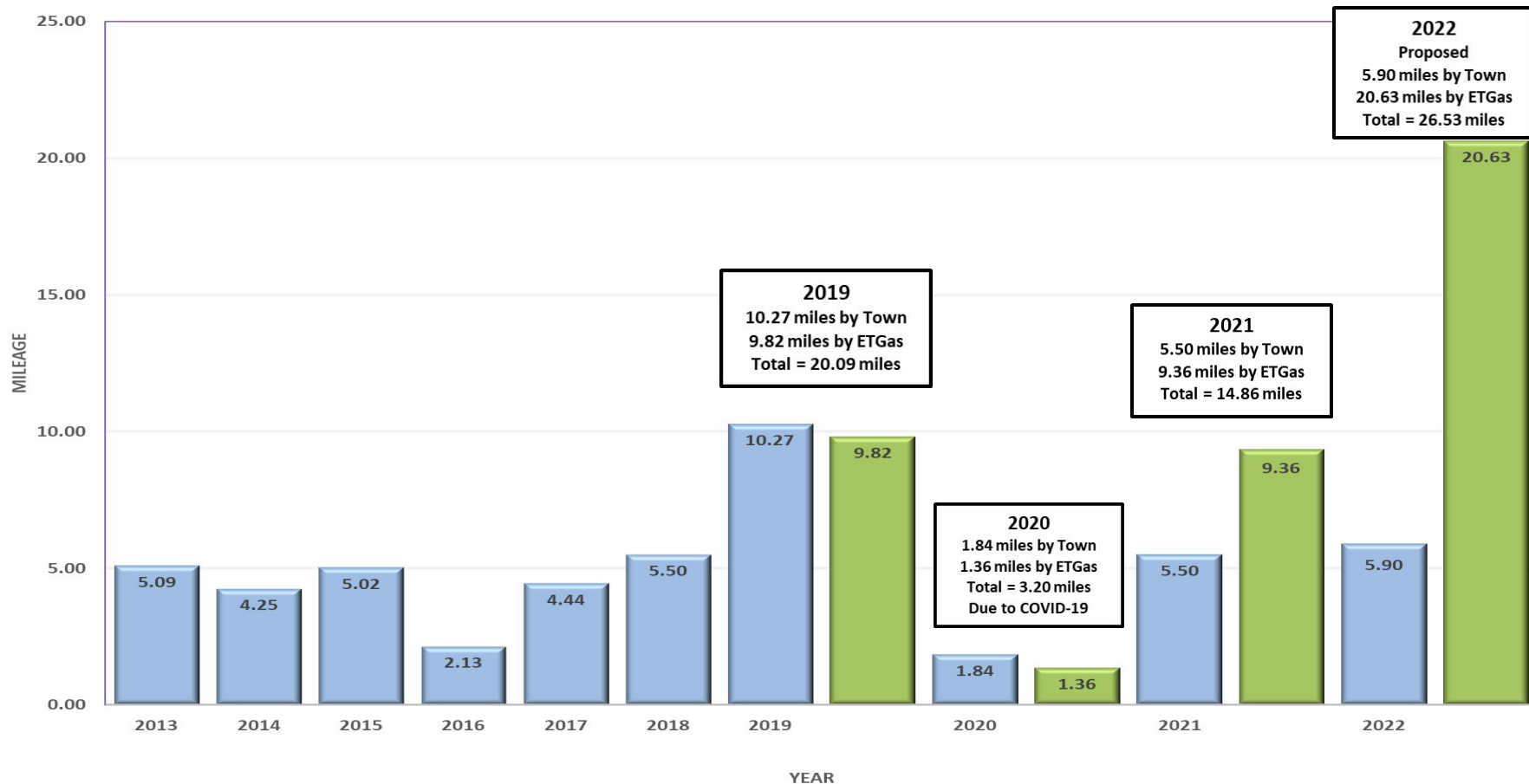
Capital Budget 2022

2022 \$3.2MM Capital Budget will support:

- Significant road paving scheduled; the majority paid by utility companies
- Park improvements
- Major Drainage improvements
 - Includes DEP approved stream cleanings in Mindowaskin & Fairview and localized drainage projects in connection with road paving
- Public Safety improvements & equipment
- Technology & Building enhancements



2019 Road Paving Ordinance Tripled Road Paving Efforts



2019 Roads Assessment Study Was Instrumental In Prioritizing Streets For Paving

Since over half the roads in town have been paved since 2018, a Roads Assessment Study will be conducted again in fall of 2022 to reset priorities for future paving

The Road Assessment report has enabled long-term planning and budgeting for paving in partnership with the utility companies, improving road paving volume and cost efficiencies

Roads resurfacing plan for 2022, 2023, & 2024, along with utility paving projects that have been confirmed to date, will soon be published on Town website



Future Capital Budget Planning 2023 and Beyond:

Prioritizing Stormwater Infrastructure, Pedestrian Safety, Traffic Circulation, Parks & Fields

- Continued significant road paving and road restriping
- Major drainage improvements in partnership with the Army Corp of Engineers, DEP, WIRC, and recommendations from stormwater assessment report; sewer pump station replacements
- Sidewalk assessment program restoration
- Park improvements: playground replacements, new fields & existing field enhancements, tennis & pickleball courts, new restrooms, trails and plantings
- Traffic light replacements, pedestrian enhancement projects at various intersections, traffic circulation improvements as recommended in the Circulation & Traffic report and Bicycle & Pedestrian plan
- Street sign replacement, downtown wayfinding signage

Substantial Progress Continues

- Successfully navigated through pandemic on solid financial footing providing momentum for future initiatives
- Downtown redevelopment plans are moving forward with an expected public presentation by Streetworks Development in July
- Committed to improvements to all of our parks and the addition of new fields
- Unprecedented road paving and tree planting programs will continue
- Prioritizing investment in stormwater infrastructure with commitment to creating a long-term strategic capital plan to solidify the system for the future

2022 BUDGET SUMMARY

- ▶ The Town is in excellent financial condition and committed to responsible fiscal management, investment spending, strategically utilizing surplus to continue essential services, managing pandemic impacts and the final tax rate
- ▶ Prioritize opportunities to increase & diversify tax base to reduce over-reliance on residential property taxes, limit risk exposure, and mitigate against future emergencies and uncertainty
- ▶ Invest in downtown economic recovery, infrastructure, and public amenities such as roads, drainage, streetscapes, parks, recreation, and the arts, and identify creative sources of funding
- ▶ Invest in initiatives that support smart growth - pedestrian safety, traffic safety circulation, stormwater infrastructure



QUESTIONS/Comments?

- Please state your name and address and ask your question
- We will try to address questions as best as we can
- Send further questions to email address below

Contact Us: budget@westfieldnj.gov

